

Nomura Global Sustainable Equity Fund

Annual Report and Audited Financial Statements for the
Financial Year Ended 31 July 2024

MANAGER:

NOMURA ASSET MANAGEMENT MALAYSIA SDN. BHD.
Business Registration No.: 200601028939 (748695-A)

TRUSTEE:

DEUTSCHE TRUSTEES MALAYSIA BERHAD
Business Registration No.: 200701005591 (763590-H)

AUDITOR:

PRICEWATERHOUSE COOPERS PLT
Business Registration No.: LLP0014401-LCA & AF1146

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This Annual Report is available, upon request, to unit holders without charge

1. FUND PROFILE

1.1 Fund Name

Nomura Global Sustainable Equity Fund (“**Fund**”)

1.2 Type and Category of Fund

Growth – Feeder Fund (Global equity)

1.3 Duration of the Fund

The Fund is an open-ended fund.

1.4 Investment Objectives

The Fund aims to achieve long-term capital growth by investing in the Nomura Funds Ireland – Global Sustainable Equity Fund USD-F (“**Target Fund**”).

1.5 Distribution Policy

Incidental. Distribution of income shall be in line with the dividend policy of the Target Fund.

1.6 Performance Benchmark

MSCI All Country World Index (“**Benchmark**”).

2. FUND PERFORMANCE

2.1 Key Fund Performance Data

Asset Allocation / Portfolio Composition	31 Jul 2024	31 Jul 2023
Target Fund	99.59%	99.21%
Cash and Others [#]	0.41%	0.79%
Total	100.00%	100.00%

[#] Included in ‘Cash and Others’ are cash on hand and net current assets/ liabilities. Net current liabilities include amounts which are accrued (but not due and payable).

Fund – MYR Class A

Category	1 Aug 2023 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Highest NAV per Unit (RM) ¹	1.2870	1.0731	1.0489
Lowest NAV per Unit (RM) ¹	1.0093	0.8366	0.8635
Total Return (%) ²			
- Capital growth (%)	18.01	12.11	(5.50)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) ¹	272	235	212
NAV per Unit (RM)	1.2502	1.0594	0.9449
Unit in Circulation	1,000	1,000	1,000

Fund – MYR Class B

Category	1 Aug 2023 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Highest NAV per Unit (RM) ¹	1.2269	1.0392	1.0444
Lowest NAV per Unit (RM) ¹	0.9726	0.8183	0.8493
Total Return (%) ²			
- Capital growth (%)	16.23	10.47	(7.25)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) ¹	2,466,639	2,826,883	3,212,192
NAV per Unit (RM)	1.1909	1.0246	0.9274
Unit in Circulation	9,510,885	12,434,661	15,406,885

Fund – USD Class

Category	1 Aug 2023 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Highest NAV per Unit (USD) ¹	1.0935	0.9534	1.0346
Lowest NAV per Unit (USD) ¹	0.8512	0.7268	0.8041
Total Return (%) ²			
- Capital growth (%)	14.07	9.02	(13.13)
- Income (%)	-	-	-
Gross/Net Distribution per unit (sen)	-	-	-
Total NAV (USD) ¹	33,428	17,328	29,828
NAV per Unit (USD)	1.0804	0.9471	0.8686
Unit in Circulation	30,939	18,296	34,342

Category	1 Aug 2023 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Expense Ratio (%) ³	1.77	1.72	2.06
Portfolio Turnover Ratio (time) ⁴	0.40	0.17	0.94

Notes:

- (1) *Figures shown as ex-distribution.*
- (2) *Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:*
 - **Capital Return**= {NAV per Unit End / NAV per Unit Beginning – 1} x 100
 - **Income Return**= {Income Distribution per Unit / NAV per Unit Ex-Distribution} x 100
- (3) *Total Expense Ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average net asset value of the Fund for the financial period calculated on daily basis.*
- (4) *Portfolio Turnover ratio ("PTR") is calculated based on the total acquisitions and total disposals of investment securities of the Fund for the financial period divided by the average net asset value of the Fund for the financial period calculated on daily basis. The increase in PTR is attributed to portfolio rebalancing, resulting an increase in trading activities for the Fund.*

2.2 Average Total Return of the Fund

Fund – MYR Class A

	1 Year to 31 Jul 2024	3 Years to 31 Jul 2024
Average Total Return (%)	18.01	7.04

Source: Refinitiv Lipper

Fund – MYR Class B

	1 Year to 31 Jul 2024	3 Years to 31 Jul 2024
Average Total Return (%)	16.23	5.44

Source: Refinitiv Lipper

Fund – USD Class

	1 Year to 31 Jul 2024	3 Years to 31 Jul 2024
Average Total Return (%)	14.07	2.50

Source: Refinitiv Lipper

2.3 Annual Total Return of the Fund

Fund – MYR Class A

	1 Aug 2023 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Return (%) ¹	18.01	12.11	(5.50)
Benchmark (%)	19.78	14.98	(3.26)

Source: Refinitiv Lipper

Fund – MYR Class B

	1 Aug 2023 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Return (%) ¹	16.23	10.47	(7.25)
Benchmark (%)	19.78	14.98	(3.26)

Source: Refinitiv Lipper

Fund – USD Class

	1 Aug 2023 to 31 Jul 2024	1 Aug 2022 to 31 Jul 2023	Since Commencement, 9 Jul 2021 to 31 Jul 2022
Total Return (%) ¹	14.07	9.02	(13.13)
Benchmark (%)	17.55	13.49	(9.11)

Source: Refinitiv Lipper

Notes:

- (1) Annual Total Return of the Fund and its Benchmark for a period are calculated based on the absolute return of the Fund for that period. The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund. Further details on basis of calculation and assumption made in calculating returns is as follows:

The performance figures are a comparison of the growth/decline in NAV for the stipulated period taking into account all the distributions payable (if any) during the stipulated period:

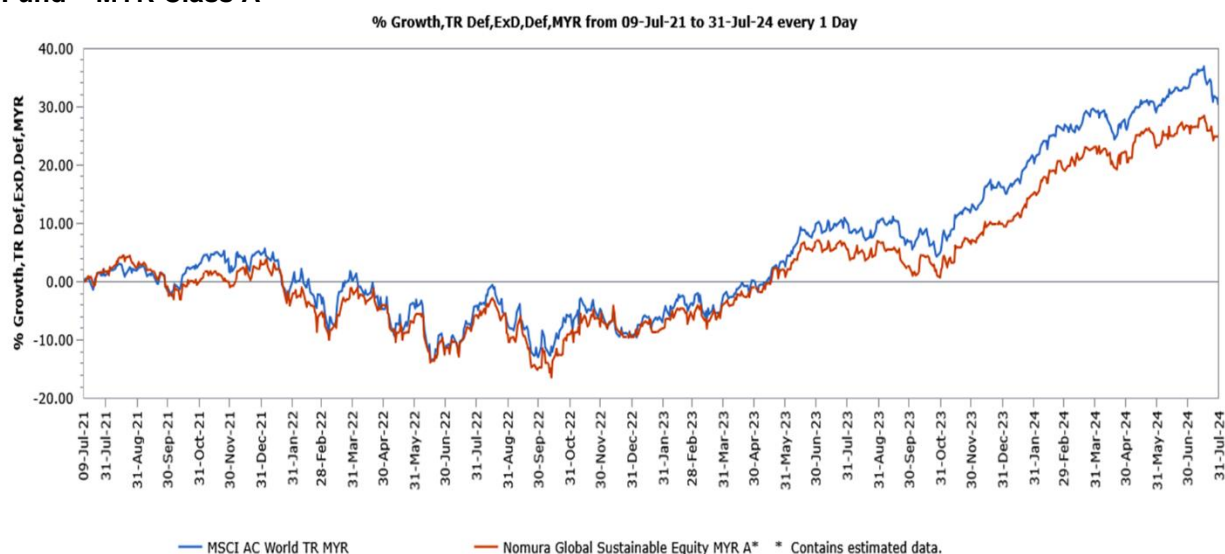
- **Capital Return** = $\{NAV \text{ per Unit End} / NAV \text{ per Unit Beginning} - 1\} \times 100$
- **Income Return** = $\{Income \text{ Distribution per Unit} / NAV \text{ per Unit Ex-Distribution}\} \times 100$
- **Total Return** = $(1 + \text{Percentage Growth})^{1/n} - 1$

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

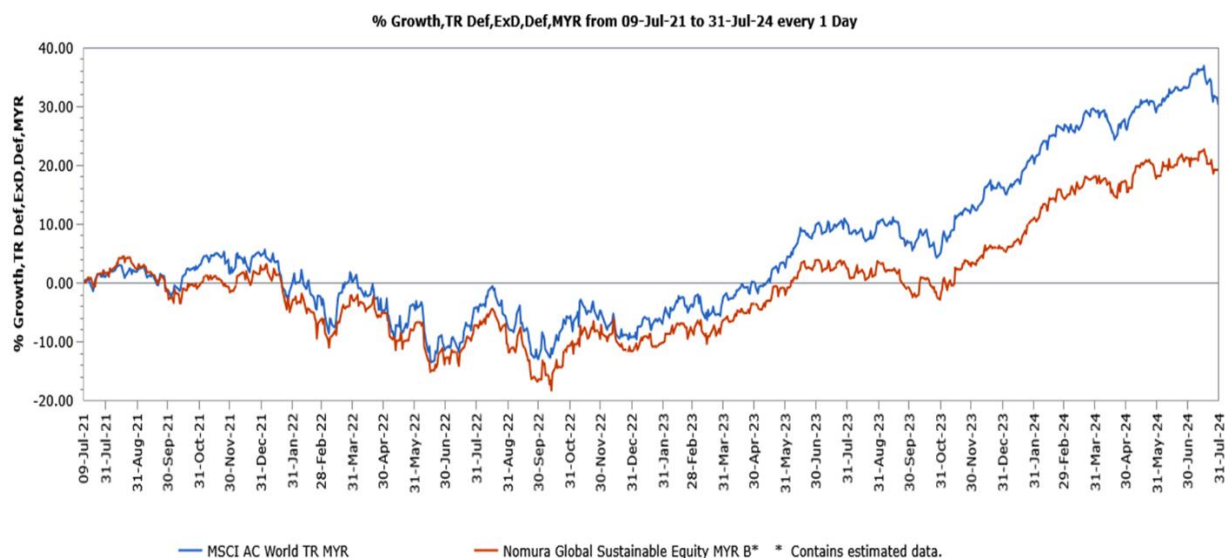
3. MANAGER'S REPORT

Performance of Nomura Global Sustainable Equity Fund from 9 July 2021 to 31 July 2024

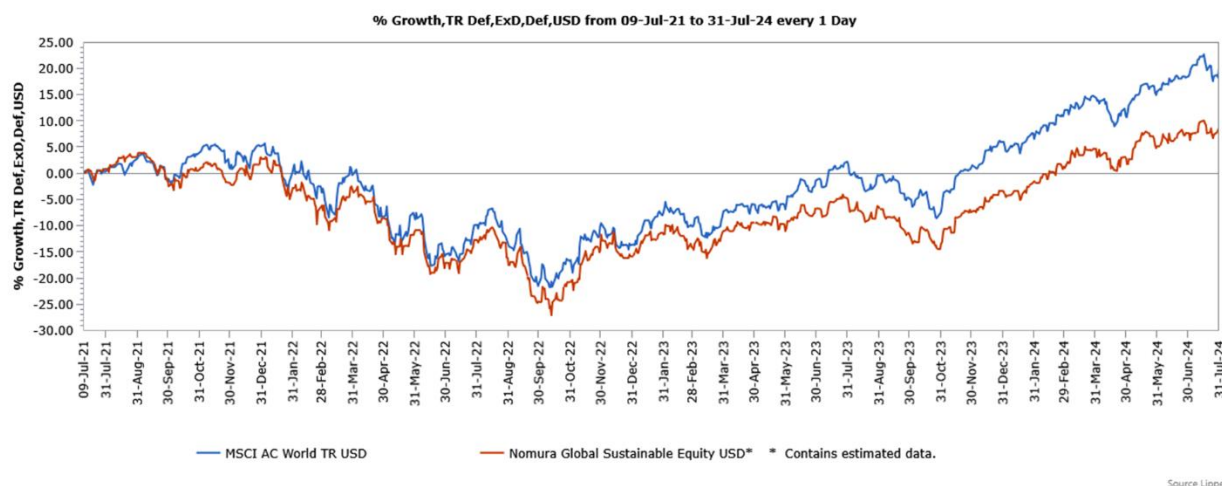
Fund – MYR Class A



Fund – MYR Class B



Fund – USD Class



Benchmark: MSCI All Country World Index

Source: The calculation of the Annual Total Return of the Fund is based on NAV-to-NAV basis, and is sourced from Refinitiv Lipper. Fund performances include reinvestment of income distributions into the Fund.

3.1 Performance for the period from 1 August 2023 to 31 July 2024

Fund – MYR Class A

For the period under review from 1 August 2023 to 31 July 2024, MYR Class A has registered 18.01% return. Compared to the Benchmark return of 19.78%, MYR Class A has underperformed the Benchmark by -1.77%. The Net Asset Value (NAV) per unit of MYR Class A as at 31 July 2023 was RM 1.0594 compared to the NAV per unit as at 31 July 2024 of RM 1.2502. On the total NAV basis, MYR Class A's NAV stood at RM 1,250.22 as at 31 July 2024. During the period under review, MYR Class A has not declared any income distribution.

Fund – MYR Class B

For the period under review from 1 August 2023 to 31 July 2024, MYR Class B has registered 16.23% return. Compared to the Benchmark return of 19.78%, MYR Class B has underperformed the Benchmark by -3.55. The Net Asset Value (NAV) per unit of MYR Class B as at 31 July 2023 was RM 1.0246 compared to the NAV per unit as at 31 July 2024 of RM 1.1909. On the total NAV basis, MYR Class B's NAV stood at RM 11.20 million as at 31 July 2024. During the period under review, MYR Class B has not declared any income distribution.

Fund – USD Class

For the period under review from 1 August 2023 to 31 July 2024, USD Class has registered 14.07% return. Compared to the Benchmark return of 17.55%, USD Class has underperformed the Benchmark by -3.48%. The Net Asset Value (NAV) per unit of USD Class as at 31 July 2023 was USD 0.9471 compared to the NAV per unit as at 31 July 2024 of USD 1.0804. On the total NAV basis, USD Class' NAV stood at USD 0.03 million as at 31 July 2024. During the period under review, USD Class has not declared any income distribution.

3.2 Review of Market and Target Fund for the period from 1 August 2023 to 31 July 2024

As US Federal Reserve signaled an end of rate hikes in its October 2023 meeting, US 10 year treasury yield peaked at 4.91%. Investors switched to risk on mode and allocated capital to lower quality and riskier assets in a rapid way. Since then, market has rallied as exhibited by S&P 500 index achieving all time high at 5600 level, STOXX 600 index achieving all time high at 520 level, and Nikkei 225 index achieving all time high at 42000 level. This is despite the change in rate cut expectations from 6-7 rate cuts at the beginning of calendar year 2024 to merely 1-2 rate cuts into middle of the year. In addition, market volatility were elevated with market debate on shallow or deep recession and upcoming U.S. presidential election. In China where the Target Fund does not have direct investment but through investee holdings that have some business exposures in, property market still struggled to stabilize and business conditions remained poor as consumer confidence and property price kept falling. Throughout this period, the outperforming themes from FY2023 such as AI and GLP-1 continue its outperformance. Market breadth has also steadily expanded towards other sectors and selective companies with positive idiosyncratic updates. This could be observed in U.S Financials sector and Homebuilder industry which outperformed broad market and Technology sector.

For the review period, MYR Class B and USD Class both delivered a strong performance of +16.23% and +14.07% despite underperforming the benchmark by 351bps and 348bps respectively. Positive allocation in Europe and Asia Pacific were more than offset by the allocation and selection in North America. In addition, this underperformance was attributed to the selection where most performance weakness was due to Financials and Utilities.

The greatest contributors to the performance of the Target Fund were Novo Nordisk and Taiwan Semiconductor Manufacturing, while the greatest detractors to the performance were Nvidia and AIA Group.

Source: Nomura Asset Management U.K. Limited

3.3 Investment Outlook

Going forward, we are constructive with US Federal Reserve comments on rate cuts and actions to engineer a soft landing where business conditions could become more stabilized. Business owners and consumers could gain more confidence and help smoothen out late economic cycle. We anticipate market volatility to stay elevated until the upcoming U.S. presidential election in November 2024. We acknowledge that while global equity market on a top down level trades at a multiples higher than historical average, there are plentiful opportunities within each market and each sector. Hence, we continue to highlight our strong bottom up strategies to identify high quality companies with strong positive idiosyncratic factors and invest at appropriate valuation multiples where we could withstand in different scenarios of market outcomes. Lastly, we would continue to contribute strong efforts to the equally important core focus of delivering the positive impact.

Source: Nomura Asset Management U.K. Limited

3.4 Strategies Employed for the period from 1 August 2023 to 31 July 2024

For the financial year under review, the Fund has complied with the requirements of the Guidelines on Sustainable and Responsible Investment Funds.

The Fund invests in the Target Fund which invests in businesses that provide a positive impact on the sustainable development of society in accordance to the United Nation Sustainable Development Goals (“**UN SDGs**”). This includes the screening, selection, monitoring and realisation of the Target Fund’s investments by the Investment Manager.

The Fund remained primarily invested in the Target Fund with approximately 99% of the Fund’s assets being invested in the Target Fund during the period under review.

The Manager’s general approach to responsible investment can be found in its reports via the following link: <https://www.nomura-asset.com.my/responsible-investment/responsible-investing-reports/>

3.5 Strategies Employed by the Target Fund for the period from 1 August 2023 to 31 July 2024

Nomura Asset Management U.K. Limited, the investment manager of the Target Fund (“**Investment Manager**”) has set six UN SDGs aligned “Impact Goals,” reflecting its sustainable investment objective, to pursue over the long term. The “Impact Goals” are as follows:

- 1) Mitigate Climate Change,
- 2) Mitigate Natural Capital Depletion,
- 3) Eliminate Communicable Disease,
- 4) Mitigate the Obesity Epidemic,
- 5) Global Access to Basic Financial Services and
- 6) Global Access to Clean Drinking Water.

2023 Impact Report is available on:

https://www.nomura-asset.co.uk/download/NAM-GSE_Impact-Report-2023.pdf

The Global Sustainable Equity Fund Investee Company Impact

Per US\$1mm invested in the Global Sustainable Equity strategy it is estimated that the underlying holdings achieved the following impact. More details on individual company contribution are available in the appendix.



Source: Nomura Global Sustainable Equity Fund Impact Report 2023

3.6 Asset Allocation

Asset Allocation / Portfolio Composition	31 Jul 2024	31 Jul 2023
Target Fund	99.59%	99.21%
Cash and Others [#]	0.41%	0.79%
Total	100.00%	100.00%

[#] Included in 'Cash and Others' are cash on hand and net current assets/ liabilities. Net current liabilities include amounts which are accrued (but not due and payable).

There were no significant changes on the Fund's asset allocation during the financial year under review.

3.7 Securities Lending or Repurchase Transactions

The Fund has not undertaken any securities lending or repurchase transactions during the financial year under review.

3.8 Income Distribution

The Fund did not declare any income during the financial year under review.

3.9 Details of Any Unit Split Exercise

There was no unit split exercise during the financial year under review.

3.10 Significant Changes in the State of Affairs of the Fund

There were no significant changes in the state of affairs of the Fund during the financial year under review.

Please find the latest changes to the Manager's board of directors as follows:

Mr. Leslie Yap Kim Loong
 Mr. Atsushi Ichii
 Ms. Chooi Su May
 Mr. Tomoya Kawagishi (Resigned 23 May 2024)
 Dato' Mona Suraya Binti Kamaruddin*
 Ms. Julia Binti Hashim*

* Independent director

3.11 Circumstances that Materially Affect Any Interest of Unit Holders

There were no circumstances that had materially affected the interest of the unit holders during the financial year under review.

3.12 Cross Trades Transactions

There were no cross trades conducted during the financial year under review.

3.13 Soft Commissions Received From Brokers

The Manager did not receive any soft commission during the financial year under review.

This Annual Report is prepared by the Manager of the Fund, Nomura Asset Management Malaysia Sdn. Bhd., for information purposes only. Past earnings of the Fund's distribution record is not a guarantee or reflection of the Fund's future earnings or future distributions. Investors are advised that unit prices, distributions payable and investment returns may go down, as well as up.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

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NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
INVESTMENT INCOME			
Net loss on derivative at fair value through profit or loss ("FVTPL")	7	-	(9,322)
Net gain on financial assets at fair value through profit or loss ("FVTPL")	8	367,357	312,054
Net loss on foreign currency exchange		(193)	(6,483)
		<u>367,164</u>	<u>296,249</u>
EXPENSES			
Management fee	3	40,707	47,350
Trustee's fee	4	2,657	2,696
Audit fee		2,348	2,242
Tax agent's fee		1,086	929
Other expenses		840	639
		<u>47,638</u>	<u>53,856</u>
PROFIT BEFORE TAXATION		319,526	242,393
TAXATION	5	-	-
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>319,526</u>	<u>242,393</u>
Increase in net assets attributable to unitholders is made up of the following:			
Realised amount		32,261	(130,821)
Unrealised amount		287,265	373,214
		<u>319,526</u>	<u>242,393</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
ASSETS			
Cash and cash equivalents	6	45,252	50,404
Financial assets at fair value through profit or loss ("FVTPL")	8	2,490,138	2,821,870
Amount due from Manager		33,024	2,195
Amount due from Manager of Target Fund - management fee rebate receivable		209	245
TOTAL ASSETS		<u>2,568,623</u>	<u>2,874,714</u>
LIABILITIES			
Amount due to Manager of Target Fund		37,356	-
Amount due to Manager		23,957	22,913
Accrued management fee	3	3,370	3,959
Amount due to Trustee	4	225	229
Auditors' remuneration		2,478	2,381
Tax agent's fee		898	786
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>68,284</u>	<u>30,268</u>
NET ASSET VALUE OF THE FUND		<u>2,500,339</u>	<u>2,844,446</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>2,500,339</u>	<u>2,844,446</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
MYR Class A		272	235
MYR Class B		2,466,639	2,826,883
USD Class		33,428	17,328
NUMBER OF UNIT IN CIRCULATION (UNITS)			
MYR Class A	9(a)	1,000	1,000
MYR Class B	9(b)	9,510,885	12,434,661
USD Class	9(c)	30,939	18,296

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024 (CONTINUED)

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
REPRESENTED BY: (CONTINUED)			
NET ASSET VALUE PER UNIT (USD)			
MYR Class A		0.2720	0.2350
MYR Class B		0.2593	0.2273
USD Class		1.0804	0.9471
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
MYR Class A		1.2502	1.0594
MYR Class B		1.1909	1.0246
USD Class		1.0804	0.9471

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	<u>2024</u> USD	<u>2023</u> USD
Net assets attributable to unitholders at the beginning of the financial year	2,844,446	3,242,232
Movement due to units created and cancelled during the financial year:		
Creation of units from applications		
MYR Class B	770,806	290,092
USD Class	30,399	556
	<u>801,205</u>	<u>290,648</u>
Cancellation of units		
MYR Class B	(1,444,595)	(916,039)
USD Class	(20,243)	(14,788)
	<u>(1,464,838)</u>	<u>(930,827)</u>
Increase in net assets attributable to unitholders during the financial year	<u>319,526</u>	<u>242,393</u>
Net assets attributable to unitholders at the end of financial year	<u>2,500,339</u>	<u>2,844,446</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	<u>Note</u>	<u>2024</u> USD	<u>2023</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceed from sale of investments		1,369,689	861,891
Purchase of investments		(635,772)	(167,424)
Management fee paid		(38,732)	(44,759)
Trustee's fee paid		(2,661)	(3,247)
Tax agent's fee paid		(974)	(978)
Payment for other fees and expenses		(3,091)	(3,031)
Net realised foreign exchange loss		(112)	-
Net realised loss on derivative		-	(12,058)
Net cash generated from operating activities		<u>688,347</u>	<u>630,394</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from creation of units		770,376	288,913
Payments for cancellation of units		(1,463,794)	(1,000,815)
Net cash used in financing activities		<u>(693,418)</u>	<u>(711,902)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,071)	(81,508)
EFFECTS OF FOREIGN CURRENCY EXCHANGE		(81)	(6,301)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>50,404</u>	<u>138,213</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6	<u>45,252</u>	<u>50,404</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note L.

(i) Standards and amendments to existing standards effective 1 January 2023

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 August 2023 that have a material effect on the financial statements of the Fund.

(ii) New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 August 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B PRESENTATION AND FUNCTIONAL CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency").

The financial statements are presented in United States Dollar ("USD"), which is the Fund's presentation and functional currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- i) Significant portion of the net asset value ("NAV") is invested in the form of collective investment scheme denominated in USD.
- ii) Part of the Fund's cash is denominated in USD for the purpose of making settlement of foreign trades and expenses.
- iii) Significant portion of the Fund's expenses are denominated in USD.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

B PRESENTATION AND FUNCTIONAL CURRENCY (CONTINUED)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

C INCOME RECOGNITION

For collective investment scheme ("CIS"), realised gains or losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

D TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable income earned during the financial year.

E CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest ("SPPI"), however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(i) Classification (continued)

Investments in collective investment scheme ("CIS") have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager and amount due from Manager of Target Fund as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager of Target Fund, amount due to Manager, accrued management fees, amount due to Trustee, auditor's remuneration and tax agent's fee as financial liabilities measured at amortised cost.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value.

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are de-recognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are recognised in the statement of comprehensive income with net gain or loss on financial assets of fair value through profit or loss in the financial year in which they arise.

Collective investment scheme is valued based on the most recent published NAV per unit or share of such collective investment scheme or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using effective interest method.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

F FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(iii) Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit losses. Management considers the probability of default to be closed to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit-impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

G UNITHOLDERS' CAPITAL

The unitholders' contribution to the Fund meet the definition of puttable instruments classified as financial liability under MFRS132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three classes of units, known respectively as MYR Class A, MYR Class B and USD Class, which are cancelled at the unitholders' option and do not have identical features subject to restrictions as stipulated in the Prospectus and Securities Commission Malaysia's ("SC") Guidelines on Unit Trust Funds. The units are classified as financial liabilities.

Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unitholders exercise the right to put back the unit to the Fund.

Units are created and cancelled at the unitholders' option at prices based on the Fund's NAV per unit of respective classes at the close of business on the relevant dealing day. The Fund's NAV per unit of respective classes is calculated by dividing the net assets attributable to unitholders of respective classes with the total number of outstanding units of respective classes.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

H AMOUNT DUE FROM/TO MANAGER OF TARGET FUND

Amounts due from/to manager of target fund represent receivables for collective investment scheme sold and payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from manager of target fund at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 months expected credit losses. Significant financial difficulties of the manager of target fund, probability that the manager of target fund will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

Any contractual payment which is more than 90 days past due is considered credit-impaired.

I MANAGEMENT FEE REBATE

Management fee rebate derived from the Manager on an accrual basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment scheme held.

J INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Income not distributed is included in net assets attributable to unitholders.

K DERIVATIVE

A derivative is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Fund's derivative comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Financial derivative positions will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative. Derivative instruments that have a negative fair value are presented as liabilities as fair value through profit or loss.

The fair value of forward foreign currency contracts is determined using forward exchange rates on the date of the statement of financial position, with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

L CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

M REALISED AND UNREALISED PORTIONS OF INCREASE OR DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The analysis of realised and unrealised amount in increase or decrease in net assets attributable to unitholders as presented on the statement of comprehensive income is prepared in accordance with SC's Guidelines on Unit Trust Funds.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

1 INFORMATION ON THE FUND

Nomura Global Sustainable Equity Fund (the "Fund") was constituted pursuant to the execution of a Principal Deed (the "Deed") dated 26 March 2021 and Supplemental Deed dated 22 September 2022 entered into between Nomura Asset Management Malaysia Sdn Bhd (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund commenced operations on 18 June 2021 and will continue its operations until terminated by the Manager or the Trustee as provided under Clause 12 of the Deed.

The Fund will invest in Nomura Funds Ireland – Global Sustainable Equity Fund USD-F ("Target Fund"), money market instruments, deposits, derivatives for hedging purposes, and any other form of investments as may be determined by the Manager and is permitted by the Securities Commission Malaysia from time to time that is in line with the Fund's objective.

The Fund aims to achieve long-term capital growth by investing in the Target Fund.

The Manager is a company incorporated in Malaysia. The principal activities of the Manager are establishment and management of unit trust funds and asset management including providing fund management services to private clients.

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial instruments are as follows:

	<u>Note</u>	Financial assets at amortised cost USD	Financial assets at FVTPL USD	Total USD
<u>Financial assets</u>				
<u>2024</u>				
Cash and cash equivalents	6	45,252	-	45,252
Financial assets at FVTPL	8	-	2,490,138	2,490,138
Amount due from Manager		33,024	-	33,024
Amount due from Manager of Target Fund - management fee rebate receivable		209	-	209
Total		<u>78,485</u>	<u>2,490,138</u>	<u>2,568,623</u>
<u>2023</u>				
Cash and cash equivalents	6	50,404	-	50,404
Financial assets at FVTPL	8	-	2,821,870	2,821,870
Amount due from Manager		2,195	-	2,195
Amount due from Manager of Target Fund - management fee rebate receivable		245	-	245
Total		<u>52,844</u>	<u>2,821,870</u>	<u>2,874,714</u>

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

All current liabilities are financial liabilities which are carried at amortised cost.

The Fund is exposed to a variety of risks which include liquidity risk, credit risk, capital risk, market risk (inclusive of price risk and currency risk), country risk, concentration risk and fund management risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated in the Deed and SC's Guidelines on Unit Trust Funds.

Liquidity risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by the unitholders. Liquid assets comprise cash, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days. The Fund aims to reduce its liquidity risk by maintaining a prudent level of liquid assets.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month USD	Between 1 month to 1 year USD	Total USD
<u>2024</u>			
Amount due to Manager of Target Fund	37,356	-	37,356
Amount due to Manager	23,957	-	23,957
Accrued management fee	3,370	-	3,370
Amount due to Trustee	225	-	225
Other payables and accruals#	-	3,376	3,376
Net assets attributable to unitholders*	2,500,339	-	2,500,339
Contractual cash out flows	<u>2,565,247</u>	<u>3,376</u>	<u>2,568,623</u>
<u>2023</u>			
Amount due to Manager	22,913	-	22,913
Accrued management fee	3,959	-	3,959
Amount due to Trustee	229	-	229
Other payables and accruals#	-	3,167	3,167
Net assets attributable to unitholders*	2,844,446	-	2,844,446
Contractual cash out flows	<u>2,871,547</u>	<u>3,167</u>	<u>2,874,714</u>

*Outstanding units are redeemed on demand at the unitholders' option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

#Other payables and accruals include auditor's remuneration payable and tax agent's fee payable.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest or principals payment on the maturity date. This may lead to a default in the payment of principal and interest and ultimately a reduction in the value of the Fund. In the case of the Fund, the Manager will endeavor to minimise the risk by selecting only licensed financial institutions with acceptable credit ratings.

Credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

For amount due from Manager, the settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The following table sets out the credit risk concentration of the Fund:

	Bank <u>balances</u> USD	Other <u>assets*</u> USD	<u>Total</u> USD
<u>2024</u>			
Financial institutions			
- AAA	45,252	-	45,252
Other			
- Not Rated	-	33,233	33,233
	<u>45,252</u>	<u>33,233</u>	<u>78,485</u>
<u>2023</u>			
Financial institutions			
- AA1	50,404	-	50,404
Other			
- Not Rated	-	2,440	2,440
	<u>50,404</u>	<u>2,440</u>	<u>52,844</u>

*Other assets include amount due from Manager and amount due from Manager of Target Fund.

The financial assets of the Fund are neither past due or impaired.

Capital risk

The capital of the Fund is represented by net assets attributable to unitholders USD2,500,339 (2023: USD2,844,446). The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of the unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk

(a) Price risk

Price risk is the risk that the fair value of an investment of the Fund will fluctuate because of changes in market prices (other than those arising from currency risk).

The Fund's overall exposures to price risk are as follows:

	<u>2024</u> USD	<u>2023</u> USD
<u>Financial assets at FVTPL:</u>		
Collective investment scheme	<u>2,490,138</u>	<u>2,821,870</u>

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of investments at the end of each reporting year. The analysis is based on the assumptions that the price of the investments fluctuates by 5% with all other variables held constant.

<u>% Change in price</u>	<u>Market</u> <u>value</u> USD	Impact on profit after tax and <u>NAV</u> USD
<u>2024</u>		
+ 5	2,614,645	124,507
- 5	<u>2,365,631</u>	<u>(124,507)</u>
<u>2023</u>		
+ 5	2,962,964	141,094
- 5	<u>2,680,776</u>	<u>(141,094)</u>

(b) Currency risk

Currency risk is associated with investments denominated in Ringgit Malaysia. When the foreign currency fluctuates in an unfavorable movement against United States Dollar, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus United States Dollar based on considerations of economic fundamentals such as interest differentials, balance of payments position, debt levels, and technical chart of considerations.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(b) Currency risk (continued)

The following tables set out the foreign currency risk concentrations and counterparties of the Fund:

<u>2024</u>	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>Financial assets</u>			
Ringgit Malaysia	36,164	33,024	69,188
	Amount due to <u>Manager</u> USD	Other payables and <u>accruals*</u> USD	Net assets attributable to <u>unitholders</u> USD
<u>Financial liabilities</u>			<u>Total</u> USD
Ringgit Malaysia	23,957	3,376	2,466,911
			2,494,244
<u>2023</u>	Cash and cash <u>equivalents</u> USD	Amount due from <u>Manager</u> USD	<u>Total</u> USD
<u>Financial assets</u>			
Ringgit Malaysia	46,582	2,195	48,777
	Amount due to <u>Manager</u> USD	Other payables and <u>accruals*</u> USD	Net assets attributable to <u>unitholders</u> USD
<u>Financial liabilities</u>			<u>Total</u> USD
Ringgit Malaysia	22,913	3,167	2,827,118
			2,853,198

*Other payables and accruals include auditor's remuneration payable and tax agent's fee payable.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

(b) Currency risk (continued)

The table below summarises the sensitivity of the Fund's profit after tax and NAV to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate changes by 5%, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in a foreign exchange rate, having regard to historical volatility of this rate. Any increase/(decrease) in foreign exchange rate will result in a corresponding (decrease)/increase in the net assets attributable to unitholders by approximately 5%. Disclosures below are shown in absolute terms, changes and impacts could be positive and negative.

	Change in foreign exchange rate %	Impact on profit after tax and NAV 2024 USD	Impact on profit after tax and NAV 2023 USD
Ringgit Malaysia	+5	121,253	140,221
Ringgit Malaysia	-5	(121,253)	(140,221)

Country Risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is possibility that the NAV of the Fund may be adversely affected.

Concentration Risk

The Fund, as a feeder fund, invests significantly all its assets in a CIS, any adverse effect on the CIS will inevitably affect the Fund as well. The performance of the Fund is also dependent on the performance of the CIS. This risk may be mitigated as the Manager is allowed to take temporary defensive positions in response to adverse market conditions. The Manager is also able to substitute the CIS with another fund with similar objective of the Fund if, in the Manager's opinion, the CIS no longer meets the Fund's objective subject to the unitholders' approval.

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective fund. With close monitoring by various relevant internal parties, investment management system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interests of the unitholders.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets and liabilities traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodology and assumptions:

- (i) For bank balances, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The carrying value of the financial assets and financial liabilities approximate their fair value due to their short-term nature.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

Fair value hierarchy

The Fund adopted MFRS 13 "Fair Value Measurement" in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is unobservable inputs).

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

2 FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	<u>Total</u> USD
<u>2024</u>				
Financial assets at FVTPL:				
- Collective investment scheme	<u>2,490,138</u>	<u>-</u>	<u>-</u>	<u>2,490,138</u>
<u>2023</u>				
Financial assets at FVTPL:				
- Collective investment scheme	<u>2,821,870</u>	<u>-</u>	<u>-</u>	<u>2,821,870</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment scheme. The Fund does not adjust the quoted prices for these instruments.

The carrying values of financial assets (other than financial assets at FVTPL) and financial liabilities (other than forward foreign currency contracts) are reasonable approximation of the fair value due to their short-term nature.

3 MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum of the NAV of each Class of the Fund calculated and accrued on a daily basis.

For the financial year ended 31 July 2024, the management fee is recognised at 0.60% (2023: 0.60%) per annum of the NAV of MYR Class A and 1.60% (2023: 1.60%) per annum of the NAV of MYR Class B and USD Class respectively, calculated on a daily basis for the financial year.

There will be no further liability to the Manager in respect of the management fee other than the amounts recognised above.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

4 TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.10% per annum of the NAV of the Fund subject to a minimum fee of RM12,000 (equivalent to: USD2,613) (2023: RM12,000 (equivalent to: USD2,696)) per annum (excluding foreign custodian fees and charges).

For the financial year ended 31 July 2024, the Trustee fee is recognised at a rate of 0.03% (2023: 0.03%) per annum on the NAV of the Fund (excluding foreign custodian fees and charges) calculated on a daily basis for the financial year, subject to a minimum fee of RM12,000 (equivalent to: USD2,613) per annum.

There will be no further liability to the Trustee in respect of the trustee fee other than the amounts recognised above.

5 TAXATION

	<u>2024</u> USD	<u>2023</u> USD
Current taxation – local	-	-

The numerical reconciliation between profit before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	<u>2024</u> USD	<u>2023</u> USD
Profit before taxation	319,526	242,393
Taxation at applicable rate of 24% (2023: 24%)	76,686	58,174
Tax effect of:		
Investment income not subject to tax	(88,119)	(70,397)
Expenses not deductible for tax purposes	1,041	2,111
Restriction on tax deductible expenses for Unit Trust Funds	10,392	10,112
Taxation	-	-

6 CASH AND CASH EQUIVALENTS

	<u>2024</u> USD	<u>2023</u> USD
Cash and bank balances	45,252	50,404

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

7 DERIVATIVE AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	<u>2024</u> USD	<u>2023</u> USD
<u>Derivative liabilities</u>		
Forward foreign currency contracts	-	-
	<u>2024</u> USD	<u>2023</u> USD
Net realised loss on forward foreign currency contracts	-	(12,058)
Net unrealised gain on forward foreign currency contracts	-	2,736
Net loss on derivative	-	(9,322)

The Fund has not entered into forward foreign currency contracts as at 31 July 2024 and 31 July 2023 respectively.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	<u>2024</u> USD	<u>2023</u> USD
Financial assets at FVTPL:		
- Collective investment scheme – foreign	2,490,138	2,821,870
	<u>2024</u> USD	<u>2023</u> USD
Net gain on financial assets at FVTPL comprised of:		
- realised gain/(loss) on sale of financial assets at FVTPL	77,482	(67,837)
- unrealised gain on changes in fair values	287,346	376,961
- management fee rebate on collective investment scheme #	2,529	2,930
	<u>367,357</u>	<u>312,054</u>

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of collective investment scheme have been considered as part of its NAV. In order to prevent the double charging of management fee which is not permissible under SC's Guidelines on Unit Trust Funds, management fee charged on the Fund's investments in collective investment scheme have been refunded to the Fund. Accordingly, any management fee rebate received from the Manager of collective investment scheme is reflected as an increase in the NAV of the collective investment scheme.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL") (CONTINUED)

Collective investment scheme – foreign as at 31 July 2024 is as follows:

	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
Nomura Funds Ireland - Global Sustainable Equity Fund USD-F	<u>21,277</u>	<u>2,164,694</u>	<u>2,490,138</u>	<u>99.59</u>

Collective investment scheme – foreign as at 31 July 2023 is as follows:

	<u>Quantity</u> Units	<u>Aggregate</u> <u>cost</u> USD	<u>Fair</u> <u>value</u> USD	<u>Percentage</u> <u>of NAV</u> %
Nomura Funds Ireland - Global Sustainable Equity Fund USD-F	<u>28,023</u>	<u>2,783,772</u>	<u>2,821,870</u>	<u>99.21</u>

Top 10 holdings of the Target Fund are as follows:

<u>Security Name</u>	<u>Percentage of</u> <u>Target Fund's NAV</u> %
<u>2024</u>	
Microsoft Corporation	4.94
Johnson Controls International plc	4.64
Taiwan Semiconductor Manufacturing Co., Ltd.	4.52
Novo Nordisk A/S Class B	4.37
Mastercard Incorporated Class A	4.06
Adobe Incorporated	3.96
ASML Holding NV	3.89
Boston Scientific Corporation	3.66
UnitedHealth Group	3.56
Alphabet Inc. Class A	3.44
	<u>41.04</u>
<u>2023</u>	
Johnson Controls International plc	4.11
Mastercard Incorporated Class A	3.78
Thermo Fisher Scientific Inc.	3.67
Microsoft Corporation	3.62
ASML Holding NV	3.59
NextEra Energy, Inc.	3.58
Novo Nordisk A/S Class B	3.49
Taiwan Semiconductor Manufacturing Co., Ltd.	3.24
Adobe Incorporated	3.16
Pentair plc	3.11
	<u>35.35</u>

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

9 NUMBER OF UNITS IN CIRCULATION

	<u>2024</u> No. of units	<u>2023</u> No. of units
(a) MYR Class A		
At beginning of the financial year	1,000	1,000
Creation of units arising from applications during the financial year	-	-
At end of the financial year	<u>1,000</u>	<u>1,000</u>
(b) MYR Class B		
At beginning of the financial year	12,434,661	15,406,885
Creation of units arising from applications during the financial year	3,176,271	1,374,866
Cancellation of units	<u>(6,100,047)</u>	<u>(4,347,090)</u>
At end of the financial year	<u>9,510,885</u>	<u>12,434,661</u>
(c) USD Class		
At beginning of the financial year	18,296	34,342
Creation of units arising from applications during the financial year	31,887	636
Cancellation of units	<u>(19,244)</u>	<u>(16,682)</u>
At end of the financial year	<u>30,939</u>	<u>18,296</u>

10 TRANSACTIONS WITH PROVIDER

Details of transactions with the provider of the CIS as follows:

<u>Name of provider</u>	<u>Value of trade</u> USD	<u>Percentage of total trade</u> %
<u>2024:</u>		
Brown Brothers Harriman and Co.	<u>2,042,816</u>	<u>100.00</u>
<u>2023</u>		
Brown Brothers Harriman and Co.	<u>1,029,315</u>	<u>100.00</u>

The provider above is not related to the Manager.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

11 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u> %	<u>2023</u> %
TER	<u>1.77</u>	<u>1.72</u>

TER is derived from the following calculation:

$$\text{TER} = \frac{(A + B + C + D + E)}{F} \times 100$$

A	=	Management fee (net of management fee rebate)
B	=	Trustee's fee
C	=	Audit fee
D	=	Tax agent's fee
E	=	Other expenses
F	=	Average NAV of Fund calculated on daily basis

The average NAV of the Fund for the financial year calculated on a daily basis is USD2,543,784 (2023: USD2,958,117).

12 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.40</u>	<u>0.17</u>

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisition for the financial year} + \text{total disposal for the financial year}) \div 2}{\text{Average NAV of the Fund for the financial year calculated on daily basis}}$$

Average NAV of the Fund for the financial year calculated on daily basis

Where: total acquisition for the financial year = USD673,128 (2023: USD167,424)
total disposal for the financial year = USD1,369,688 (2023: USD861,891)

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (CONTINUED)

13 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related party of and its relationship with the Fund are as follows:

<u>Related party</u>	<u>Relationship</u>			
Nomura Asset Management Malaysia Sdn Bhd	The Manager			
Nomura Islamic Asset Management Sdn Bhd	Associate company of the Manager			
The Nomura Trust and Banking Co., Ltd	Associate company of the Manager			
		<u>2024</u>		<u>2023</u>
	No. of units	USD	No. of units	USD
Nomura Asset Management Malaysia Sdn Bhd MYR Class A	1,000	272	1,000	235

The units are held legally by the Manager for booking purposes.

In addition to the related party disclosure mentioned elsewhere in the financial statements, there were no other significant related party transactions and balances.

Other than the above, there were no units held by parties related to the Manager.

14 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 26 September 2024.

NOMURA GLOBAL SUSTAINABLE EQUITY FUND

STATEMENT BY THE MANAGER

We, Leslie Yap Kim Loong and Atsushi Ichii, being two of the Directors of Nomura Asset Management Malaysia Sdn Bhd (the "Manager"), do hereby state that, in the opinion of the Directors of the Manager, the accompanying financial statements set out on pages 1 to 25 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 July 2024 and of its financial performance, changes in net assets attributable to unitholders and cash flows for the financial year ended 31 July 2024 in accordance with the Malaysian Financial Reporting Standards, and International Financial Reporting Standards.

For and on behalf of the Manager,
NOMURA ASSET MANAGEMENT MALAYSIA SDN BHD



LESLIE YAP KIM LOONG
Managing Director



ATSUSHI ICHII
Director

Kuala Lumpur
26 September 2024



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50250 Kuala Lumpur
Tel +603 2053 7522
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TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF NOMURA GLOBAL SUSTAINABLE EQUITY FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 July 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Nomura Asset Management Malaysia Sdn Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad


Ng Hon Leong
Head, Fund Operations


Sylvia Beh
Chief Executive Officer

Kuala Lumpur
26 September 2024



INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF NOMURA GLOBAL SUSTAINABLE EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Nomura Global Sustainable Equity Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 July 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 July 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 1 to 25.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.



INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA GLOBAL SUSTAINABLE EQUITY FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA GLOBAL SUSTAINABLE EQUITY FUND
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF NOMURA GLOBAL SUSTAINABLE EQUITY FUND
(CONTINUED)

OTHER MATTERS

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PricewaterhouseCoopers PJ
PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
26 September 2024